

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**July 31, 2009**

	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	91,572	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(19,555,815)	23,478,717	6,345,361	810,265	(59,581,637)	(185)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(19,463,742)	23,478,717	6,345,361	810,265	(59,581,637)	(185)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	4,066	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (19,459,676)</b>	<b>\$ 23,478,717</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	4,066	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	4,066	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	4,066	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	-	(1,432)	(300)	(335)	(405)	(185)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(1,432)	(300)	(335)	(405)	(185)
<b>Total Liabilities</b>	4,066	(1,432)	(300)	(335)	(405)	(185)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	5,000	1,090,000	1,000	1,000	303,000	-
Paid in capital	6,000,000	33,631,999	18,090,032	-	37,765,000	-
(Accumulated deficit)/Retained earnings	(25,468,742)	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
<b>Total W.R. Grace &amp; Co. - Chapter 11 Filing Entities Equity (Deficit)</b>	(19,463,742)	23,480,148	6,345,661	810,600	(59,581,232)	-
Noncontrolling interest	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(19,463,742)	23,480,148	6,345,661	810,600	(59,581,232)	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (19,459,676)</b>	<b>\$ 23,478,717</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,637)</b>	<b>\$ (185)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**July 31, 2009**

	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(86,721)	352,712,699	4,389,612	(15,750,664)	5,296,839
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	(86,721)	352,712,699	4,389,612	(15,750,664)	5,296,839
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	(35,903,123)	(14,135,725)	-	-
Investment in filing and non-filing entities	-	187,272,210	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (86,721)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-
Income tax contingences	(110)	(119)	(110)	-	(360)
Asbestos-related contingences	-	-	-	-	-
Environmental contingences	-	-	-	-	-
Postretirement benefits	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	(119)	(110)	-	(360)
<b>Total Liabilities</b>	(110)	(119)	(110)	-	(360)
<b>Shareholders' Equity (Deficit)</b>					
Preferred stock	-	-	-	-	-
Common stock	-	1,000	1,000	(114,960)	100
Paid in capital	1,900,000	451,425,156	(2,089,027)	34,215,000	-
(Accumulated deficit)/Retained earnings	(1,986,611)	52,655,749	(7,657,976)	(49,850,704)	5,297,099
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-
<b>Total W.R. Grace &amp; Co. - Chapter 11 Filing Entities Equity (Deficit)</b>	(86,611)	504,081,905	(9,746,003)	(15,750,664)	5,297,199
Noncontrolling interest	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(86,611)	504,081,905	(9,746,003)	(15,750,664)	5,297,199
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (86,721)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,839</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

July 31, 2009

	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	875,359	(5,314)	108,080	130,215,533	145,239,206
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	<b>875,359</b>	<b>(5,314)</b>	<b>108,080</b>	<b>130,215,533</b>	<b>145,239,206</b>
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>	<b>\$ 108,080</b>	<b>\$ 130,215,533</b>	<b>\$ 145,239,206</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-
Income tax contingences	(310)	(260)	(360)	21,450,461	21,450,636
Asbestos-related contingences	-	-	-	-	-
Environmental contingences	-	-	-	-	-
Postretirement benefits	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(310)</b>	<b>(260)</b>	<b>(360)</b>	<b>21,450,461</b>	<b>21,450,636</b>
<b>Total Liabilities</b>	<b>(310)</b>	<b>(260)</b>	<b>(360)</b>	<b>21,450,461</b>	<b>21,450,636</b>
<b>Shareholders' Equity (Deficit)</b>					
Preferred stock	-	-	-	-	-
Common stock	1,000	1,000	1,000	1,000	100
Paid in capital	-	-	-	30,293,750	13,880,108
(Accumulated deficit)/Retained earnings	874,669	(6,054)	107,440	78,470,322	109,908,362
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-
<b>Total W.R. Grace &amp; Co. - Chapter 11 Filing Entities Equity (Deficit)</b>	<b>875,669</b>	<b>(5,054)</b>	<b>108,440</b>	<b>108,765,072</b>	<b>123,788,570</b>
Noncontrolling interest	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>875,669</b>	<b>(5,054)</b>	<b>108,440</b>	<b>108,765,072</b>	<b>123,788,570</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 875,359</b>	<b>\$ (5,314)</b>	<b>\$ 108,080</b>	<b>\$ 130,215,533</b>	<b>\$ 145,239,206</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**July 31, 2009**

	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(81,115,113)	47,407,796	-	-	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(81,115,113)	47,407,796	-	-	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	(1,323,802,717)
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	(1,201,282)
<b>Total Assets</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,325,003,999)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	(100,000)
<b>Total Current Liabilities</b>	-	-	-	-	-	(100,000)
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	(100,000)
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	(200,000)
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(480)	(110)	-	-	-	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(480)	(110)	-	-	-	-
<b>Total Liabilities</b>	(480)	(110)	-	-	-	(200,000)
<b>Shareholders' Equity (Deficit)</b>						
Preferred stock	-	-	-	-	-	-
Common stock	124,473	1,000	-	-	-	(86,493,960)
Paid in capital	51,173,713	7,308,934	-	-	-	(1,222,870,000)
(Accumulated deficit)/Retained earnings	(132,412,819)	40,097,972	-	-	-	2,859,961
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	(18,300,000)
<b>Total W.R. Grace &amp; Co. - Chapter 11 Filing Entities Equity (Deficit)</b>	(81,114,633)	47,407,906	-	-	-	(1,324,803,999)
Noncontrolling interest	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(81,114,633)	47,407,906	-	-	-	(1,324,803,999)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,325,003,999)</b>

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**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**July 31, 2009**

	Conversion to Equity Method	Reporting Reclasses	COMBINED FILING ENTITIES
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 298,061,790
Investment securities	-	-	\$ 11,472,719
Cash value of life insurance policies, net of policy loans	-	-	\$ -
Accounts and other receivables, net	-	-	\$ 110,356,106
Receivables from/(payables to) filing and non-filing entities, net	-	200,000	\$ 72,470,242
Inventories	-	-	\$ 95,764,094
Deferred income taxes	-	(5,449,795)	\$ 30,088,523
Other current assets	-	-	\$ 18,772,412
<b>Total Current Assets</b>	-	(5,249,795)	\$ 636,985,886
Properties and equipment, net	-	-	\$ 398,714,672
Goodwill	-	-	\$ 25,420,411
Deferred income taxes	-	(209,851,442)	\$ 851,743,044
Asbestos-related insurance receivable	-	-	\$ 500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	\$ 408,319,523
Investment in filing and non-filing entities	(5,287,686)	1,800,000	\$ 500,256,727
Overfunded defined benefit pension plans	-	-	\$ 208,024
Other assets	-	-	\$ 52,063,506
<b>Total Assets</b>	\$ (5,287,686)	\$ (213,301,237)	\$ 3,373,711,793
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	\$ -	\$ 188,797
Accounts payable	-	-	\$ 85,445,768
Income taxes payable	-	-	\$ 268
Asbestos-related liability expected to be disbursed within one year	-	-	\$ (36,260)
Other current liabilities	-	(429,147)	\$ 118,734,267
<b>Total Current Liabilities</b>	-	(429,147)	\$ 204,332,840
Debt payable after one year	-	-	\$ 352,452
Deferred income taxes	-	(209,851,442)	\$ -
Underfunded defined benefit pension plans	-	-	\$ 362,409,031
Other liabilities	-	-	\$ 27,332,499
<b>Total Liabilities Not Subject to Compromise</b>	-	(210,280,589)	\$ 594,426,822
<b>Liabilities Subject to Compromise</b>			
Debt, pre-petition plus accrued interest	-	-	\$ 839,125,697
Drawn letters of credit plus accrued interest	-	-	\$ 30,700,924
Income tax contingencies	-	-	\$ 123,050,299
Asbestos-related contingencies	-	-	\$ 1,700,000,000
Environmental contingencies	-	-	\$ 148,403,396
Postretirement benefits	-	-	\$ 170,151,763
Other liabilities and accrued interest	-	(10,820,648)	\$ 121,674,132
<b>Total Liabilities Subject to Compromise</b>	-	(10,820,648)	\$ 3,133,106,211
<b>Total Liabilities</b>	-	(221,101,237)	\$ 3,727,533,033
<b>Shareholders' Equity (Deficit)</b>			
Preferred stock	-	-	\$ 112
Common stock	-	-	\$ 838,290
Paid in capital	-	-	\$ 439,951,509
(Accumulated deficit)/Retained earnings	31,567,695	2,000,000	\$ (256,179,546)
Treasury stock, at cost	-	-	\$ (57,109,154)
Accumulated other comprehensive (loss) income	(36,855,381)	5,800,000	\$ (535,941,909)
<b>Total W.R. Grace &amp; Co. - Chapter 11 Filing Entities Equity (Deficit)</b>	(5,287,686)	7,800,000	\$ (408,440,698)
Noncontrolling interest	-	-	\$ 54,619,458
<b>Total Shareholders' Equity (Deficit)</b>	(5,287,686)	7,800,000	\$ (353,821,240)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ (5,287,686)	\$ (213,301,237)	\$ 3,373,711,793

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Chart 5

<b>W. R. Grace &amp; Co. - Conn</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>July 31, 2009</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ (2,713)	\$ 2,121,964	\$ (2,121,964)	\$ (2,713)
FICA - Employee	15,624	1,120,883	(1,121,797)	14,710
FICA and payroll- Employer	1,727,460	1,120,883	(874,299)	1,974,044
Unemployment	-	683	(683)	-
Other	-	5,198	(5,198)	-
<b>Total Federal Taxes</b>	<b>\$ 1,740,371</b>	<b>\$ 4,369,611</b>	<b>\$ (4,123,941)</b>	<b>\$ 1,986,041</b>
<b>State and Local</b>				
Withholding	\$ 84,242	\$ 745,063	\$ (745,063)	\$ 84,242
Sales & Use	726,832	128,735	(182,843)	672,724
Property Taxes	2,493,550	319,300	(1)	2,812,849
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 3,304,624</b>	<b>\$ 1,193,098</b>	<b>\$ (927,907)</b>	<b>\$ 3,569,815</b>
<b>Total Taxes</b>	<b>\$ 5,044,995</b>	<b>\$ 5,562,709</b>	<b>\$ (5,051,848)</b>	<b>\$ 5,555,856</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Remedium Group, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>July 31, 2009</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ -	\$ 5,895	\$ (5,895)	\$ -
FICA - Employee	-	2,528	(2,528)	-
FICA and payroll- Employer	-	2,528	(2,528)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 10,951	\$ (10,951)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 755	\$ (755)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 755	\$ (755)	\$ -
<b>Total Taxes</b>	\$ -	\$ 11,706	\$ (11,706)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Grace Washington, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>July 31, 2009</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
<b>Federal</b>				
Withholding	\$ -	\$ 4,765	\$ (4,765)	\$ -
FICA - Employee	-	267	(267)	-
FICA and payroll- Employer	-	267	(267)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 5,299	\$ (5,299)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 1,021	\$ (1,021)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 1,021	\$ (1,021)	\$ -
<b>Total Taxes</b>	\$ -	\$ 6,320	\$ (6,320)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.



Chart 5

<b>L B Realty, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>July 31, 2009</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Darex Puerto Rico, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>July 31, 2009</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
	<b>A</b>	<b>B</b>	<b>= C-A-B</b>	<b>C</b>
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	534	(534)	-
FICA and payroll- Employer	-	784	(784)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 1,318	\$ (1,318)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 903	\$ (903)	\$ -
Sales & Use	250	209	(340)	119
Property Taxes	64,135	13,063	-	77,198
Other	-	-	-	-
<b>Total State and Local</b>	\$ 64,385	\$ 14,175	\$ (1,243)	\$ 77,317
<b>Total Taxes</b>	\$ 64,385	\$ 15,493	\$ (2,561)	\$ 77,317

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

**W. R. Grace & Co. - Conn**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**July 2009**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 120,096,008
Amounts billed during the period	\$ 75,961,233
Amounts collected during the period	\$ (87,454,256)
Other	\$ (812,984)
Trade accounts receivable at the end of month, gross	\$ 107,790,002

**Trade Accounts Receivable Aging**

Current	\$ 95,768,557
1-30 days past due	\$ 9,060,195
31-60 days past due	\$ 7,054
+61 days past due	\$ 2,954,196
Trade accounts receivable, gross	\$ 107,790,002
Allowance for doubtful accounts	\$ (1,701,611)
Trade accounts receivable, net	\$ 106,088,391

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 106,088,391
Customer notes and drafts receivable	\$ 403,156
Pending customer credit notes	\$ 3,323
Advances and deposits	\$ 1,735,160
Nontrade receivables, net	\$ 802,928
Total notes and accounts receivable, net	\$ 109,032,957

Chart 6

**Darex Puerto Rico, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**July 2009**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 1,248,320
Amounts billed during the period	268,140
Amounts collected during the period	(74,267)
Other	(152,740)
Trade accounts receivable at the end of month, gross	\$ 1,289,453

**Trade Accounts Receivable Aging**

Current	\$ 626,503
1-30 days past due	98,059
31-60 days past due	32,371
+61 days past due	532,520
Trade accounts receivable, gross	1,289,453
Allowance for doubtful accounts	(150,771)
Trade accounts receivable, net	\$ 1,138,681

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 1,138,681
Customer notes and drafts receivable	-
Pending customer credit notes	(4,909)
Advances and deposits	14,623
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 1,148,396

Chart 6

**Remedium Group, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**July 2009**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$	-
Amounts billed during the period		-
Amounts collected during the period		-
Other		-
Trade accounts receivable at the end of month, gross	\$	-

**Trade Accounts Receivable Aging**

Current	\$	-
1-30 days past due		-
31-60 days past due		-
+61 days past due		-
Trade accounts receivable, gross		-
Allowance for doubtful accounts		-
Trade accounts receivable, net	\$	-

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$	-
Customer notes and drafts receivable		-
Pending customer credit notes		-
Advances and deposits		-
Nontrade receivables, net		-
Total notes and accounts receivable, net	\$	-

Chart 6

**Gloucester New Communities Company, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**July 2009**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	91,572
Total notes and accounts receivable, net	\$ 91,572

Chart 6

Grace Europe, Inc. Accounts Receivable Reconciliation and Aging MOR-5 July 2009	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	83,181
Total notes and accounts receivable, net	\$ 83,181

Chart 7

<b>W.R. Grace &amp; Co., et al</b> <b>Debtor Questionnaire</b> <b>MOR - 5</b> <b>July 31, 2009</b>		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds



## **Combined Chapter 11 Filing Entity Statements**

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities				
Combined Statements of Operations				
In millions	Month Ended July 31,		Seven Months Ended July 31,	
	2009	2008	2009	2008
Net sales to third parties	\$ 76.2	\$ 92.8	\$ 531.6	\$ 616.4
Net sales to non-filing entities	49.0	39.0	286.8	314.8
Interest and royalties from non-filing entities	4.0	4.9	38.8	42.9
	129.2	136.7	857.2	974.1
Cost of goods sold to third parties	48.3	63.2	351.2	422.9
Cost of goods sold to non-filing entities	38.5	31.2	236.9	248.5
Selling, general and administrative expenses	21.7	24.9	182.4	170.1
Restructuring costs	0.5	-	11.8	2.9
Depreciation and amortization	4.6	4.8	32.4	34.0
Research and development expenses	3.0	3.7	21.7	26.5
Defined benefit pension expense	5.8	3.4	40.5	22.1
Interest expense	3.1	4.3	21.4	33.6
Other (income) expense, net	0.4	3.4	7.0	(14.8)
Provision for environmental remediation	-	-	0.7	5.9
Chapter 11 expenses, net of interest income	5.0	6.8	23.0	43.2
	130.9	145.7	929.0	994.9
Income (loss) before income taxes and equity in net income of non-filing entities	(1.7)	(9.0)	(71.8)	(20.8)
Benefit from (provision for) income taxes	(2.9)	(0.3)	18.3	(23.2)
Income (loss) before equity in net income of non-filing entities	(4.6)	(9.3)	(53.5)	(44.0)
Equity in net income (loss) of non-filing entities	14.7	14.4	44.0	98.9
<b>Net income (loss)</b>	<b>\$ 10.1</b>	<b>\$ 5.1</b>	<b>\$ (9.5)</b>	<b>\$ 54.9</b>

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combined Functional Basis Statements of Cash Flows**

<i>In millions</i>	<b>Seven Months Ended July 31, 2009</b>	<b>Seven Months Ended July 31, 2008</b>
<b><u>Core operations cash flow</u></b>		
Pre-tax income (loss) from core operations	\$ 33.7	\$ 75.9
Depreciation and amortization	32.4	34.0
	66.1	109.9
Payments under defined benefit pension arrangements	(27.3)	(35.3)
Change in Non-Filing entity operating loans including interest payments and Investment	19.6	131.4
Changes in all core assets/liabilities and other	31.3	(32.0)
<b>Core Pre-tax Operating Cash Flow</b>	<b>89.7</b>	<b>174.0</b>
Dividends paid to noncontrolling interests in consolidated entities	-	-
Capital expenditures	(23.9)	(39.2)
<b>Core Pre-tax Operating Free Cash Flow</b>	<b>65.8</b>	<b>134.8</b>
<b><u>Charges against core reserves</u></b>		
Restructuring costs	11.8	2.9
Deferred compensation	(0.1)	(0.1)
Self insurance	(1.4)	(0.9)
<b>Total Spending Against Core Reserves</b>	<b>10.3</b>	<b>1.9</b>
<b>Net Core Cash Flow</b>	<b>76.1</b>	<b>136.7</b>
<b><u>Noncore cash flow</u></b>		
Proceeds from asset sales	-	-
Investments in short term debt securities	-	-
Proceeds from sales of investment securities	11.1	46.7
Cash paid to resolve contingencies subject to Chapter 11	-	(251.6)
Legal fees	(46.9)	(12.7)
Other noncore pre-tax cash flow	(5.4)	(7.3)
<b>Noncore Pre-tax Cash Flow</b>	<b>(41.2)</b>	<b>(224.9)</b>
<b><u>Charges against noncore reserves</u></b>		
Environmental remediation	(4.5)	(2.5)
Retained obligations and other	0.1	-
Postretirement benefits	(0.9)	(3.9)
<b>Total Spending Against Noncore Reserves</b>	<b>(5.3)</b>	<b>(6.4)</b>
<b>Noncore Cash Flow</b>	<b>(46.5)</b>	<b>(231.3)</b>
<b>Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow</b>	<b>29.6</b>	<b>(94.6)</b>
Cash paid for taxes, net of refunds	(2.9)	(2.6)
Cash paid for interest, net	0.7	(28.3)
Chapter 11 expenses paid	(30.1)	(45.6)
Interest income on filing entity cash balances	(0.2)	1.2
<b>Cash Flow before Strategic Investments</b>	<b>(2.9)</b>	<b>(169.9)</b>
<b><u>Strategic Investments</u></b>		
Purchase of equity investment	-	(3.0)
Dividends received from non-filing entities	16.4	16.9
Proceeds from sale of business	-	-
Proceeds from exercise of stock options	0.1	9.6
<b>Cash used for Strategic Investments</b>	<b>16.5</b>	<b>23.5</b>
<b>Cash Flow after Strategic Investments</b>	<b>13.6</b>	<b>(146.4)</b>
Fees under debtor-in-possession credit facility	(1.1)	(1.4)
Net (investing)/financing activities under life insurance policies	67.5	8.1
<b>Net Cash Flow</b>	<b>\$ 80.0</b>	<b>\$ (139.7)</b>

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheets			
Amounts in millions	July 31, 2009	December 31, 2008	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 298.1	\$ 218.1	\$ 8.6
Investment securities	11.5	21.6	-
Cash value of life insurance policies, net of policy loans	-	67.2	-
Trade accounts receivable, less allowance of \$1.9 (2008 - \$1.4, Filing Date - \$0.7)	107.7	115.0	32.3
Receivables from non-filing entities, net	72.5	69.9	51.2
Inventories	95.7	122.1	80.6
Deferred income taxes	30.1	33.6	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	21.5	23.8	33.4
<b>Total Current Assets</b>	<b>637.1</b>	<b>671.3</b>	<b>304.0</b>
Properties and equipment, net	398.7	417.1	400.4
Goodwill	25.5	25.4	13.6
Deferred income taxes	851.7	834.4	401.0
Asbestos-related insurance expected to be realized after one year	500.0	500.0	323.4
Loans receivable from non-filing entities, net	408.3	399.1	387.5
Investment in non-filing entities	500.3	492.0	121.0
Overfunded defined benefit pension plans	0.2	0.2	-
Deferred pension costs	-	-	236.0
Other assets	52.1	72.4	136.6
<b>Total Assets</b>	<b>\$ 3,373.9</b>	<b>\$ 3,411.9</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ 0.2	\$ 0.2	\$ -
Accounts payable	85.4	88.6	-
Other current liabilities	118.7	150.7	-
<b>Total Current Liabilities</b>	<b>204.3</b>	<b>239.5</b>	<b>-</b>
Debt payable after one year	0.4	0.4	-
Underfunded defined benefit pension plans	362.4	380.6	-
Other liabilities	27.3	41.2	31.5
<b>Total Liabilities Not Subject to Compromise</b>	<b>594.4</b>	<b>661.7</b>	<b>31.5</b>
<b>Liabilities Subject to Compromise</b>			
Pre-petition debt plus accrued interest	839.1	823.5	511.5
Drawn letters of credit plus accrued interest	30.7	30.0	-
Income tax contingencies	123.1	121.0	242.1
Asbestos-related contingencies	1,700.0	1,700.0	1,002.8
Environmental contingencies	148.4	152.2	164.8
Postretirement benefits	170.1	169.7	256.2
Other liabilities and accrued interest	121.7	116.5	188.6
<b>Total Liabilities Subject to Compromise</b>	<b>3,133.1</b>	<b>3,112.9</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>3,727.5</b>	<b>3,774.6</b>	<b>2,397.5</b>
<b>Shareholder's Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	440.0	436.6	432.6
Accumulated deficit	(256.1)	(262.1)	(201.8)
Treasury stock, at cost	(57.1)	(57.4)	(136.4)
Accumulated other comprehensive loss	(535.8)	(544.8)	(169.5)
<b>Total W.R. Grace &amp; Co. Chapter 11 Filing Entities Shareholders' Equity (Deficit)</b>	<b>(408.2)</b>	<b>(426.9)</b>	<b>(74.3)</b>
Noncontrolling interest	54.6	64.2	0.3
<b>Total Shareholders' Equity (Deficit)</b>	<b>(353.6)</b>	<b>(362.7)</b>	<b>(74.0)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 3,373.9</b>	<b>\$ 3,411.9</b>	<b>\$ 2,323.5</b>

**W. R. Grace & Co.**  
**Filing Entity Supplemental Financial Information**  
**July 31, 2009**

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**Basis of Presentation**

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The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with U.S. generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in the Company's 2008 Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Combined Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under U.S. generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed.

The results of operations for the seven-month interim period ended July 31, 2009 are not necessarily indicative of the results of operations for the year ending December 31, 2009.

**Other Balance Sheet Accounts**

<i>(In millions)</i>	<b>July 31, 2009</b>	<b>Filing Date</b>
<b>Inventories</b>		
Raw materials.....	\$ 19.5	\$ 20.3
In process.....	24.9	16.2
Finished products.....	39.8	63.8
General merchandise.....	11.5	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis.....	--	(29.3)
	<b>\$ 95.7</b>	<b>\$ 80.6</b>
<b>Other Assets</b>		
Deferred charges.....	21.4	40.4
Cash value of life insurance policies, net of policy loans.....	4.5	64.1
Long-term receivables.....	0.3	1.9
Long-term investments.....	4.5	2.1
Patents, licenses and other intangible assets, net.....	17.4	25.2
Fair value of foreign currency exchange rate forward contracts.....	3.7	--
Other assets.....	0.3	2.9
	<b>\$ 52.1</b>	<b>\$ 136.6</b>
<b>Other Current Liabilities</b>		
Accrued compensation.....	\$ 41.8	\$ --
Accrued commissions.....	2.6	--
Customer programs.....	11.6	--
Accrued freight.....	5.1	--
Accrued reorganization fees.....	19.3	--
Fair value of foreign currency exchange rate forward contracts.....	1.4	--
Other accrued liabilities.....	36.9	--
	<b>\$ 118.7</b>	<b>\$ --</b>
<b>Other Liabilities</b>		
Deferred royalty income -- non-filing entities.....	\$ --	\$ 31.5
Accrued compensation.....	0.7	--
Other accrued liabilities.....	26.6	--
	<b>\$ 27.3</b>	<b>\$ 31.5</b>
<b>Other Liabilities Subject to Compromise</b>		
Accrued interest on pre-petition liabilities.....	48.0	--
Accounts payable.....	31.3	43.0
Retained obligations of divested businesses.....	28.4	43.5
Other accrued liabilities.....	14.0	102.1
	<b>\$ 121.7</b>	<b>\$ 188.6</b>

Accrued compensation in the table above includes salaries and wages as well as estimated current amounts due under the annual and long-term incentive programs.

**Life Insurance**

Grace is the beneficiary of corporate-owned life insurance ("COLI") policies on certain current and former employees with a net cash surrender value of \$4.5 million at July 31, 2009. The following table summarizes the components of net cash value at July 31, 2009 and Filing Date:

<b>Components of Net Cash Value</b> <i>(In millions)</i>	<b>July 31, 2009</b>	<b>Filing Date</b>
Gross cash value.....	\$ 9.7	\$ 453.7
Principal – policy loans .....	(5.0)	(390.3)
Accrued interest – policy loans .....	(0.2)	0.7
Total net cash value.....	\$ 4.5	\$ 64.1
Less: current portion.....	--	--
Net cash value – long-term .....	\$ 4.5	\$ 64.1
Insurance benefits in force.....	\$ 18.8	\$ 2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

In March 2009, Grace surrendered and terminated life insurance policies and received approximately \$68.8 million of net cash value from the terminations. As a result of the terminations, Grace's insurance benefits in force was reduced by approximately \$102.4 million.

**Debt**

On July 31, 2009 and the Filing Date, Grace's debt was as follows:

<b>Components of Debt</b> <i>(In millions)</i>	<b>July 31, 2009</b>	<b>Filing Date</b>
<b>Debt payable within one year</b>		
DIP facility.....	\$ --	\$ --
Other short-term borrowings and related fees payable .....	0.2	--
	\$ 0.2	\$ --
<b>Debt payable after one year</b>		
DIP facility.....	\$ --	\$ --
Other long-term borrowings .....	0.4	--
	\$ 0.4	\$ --
<b>Debt Subject to Compromise</b>		
Bank borrowings .....	\$ 500.0	\$ 500.0
Accrued interest on bank borrowings.....	339.1	--
Drawn letters of credit.....	25.6	--
Accrued interest on drawn letters of credit .....	5.1	--
8.0% Notes Due 2004.....	--	5.7
7.75% Notes Due 2002.....	--	2.0
Other borrowings .....	--	1.2
Accrued interest.....	--	2.6
	\$ 869.8	\$ 511.5
Annualized weighted average interest rates on total debt	3.3%	6.1%

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement, or DIP facility, with a syndicate of lenders that, as amended effective April 1, 2008, provides for up to \$165 million of revolving loans and face amount of letters of credit. The DIP facility is secured by a priority lien on substantially all assets of the Debtors with the exclusion of the capital stock of non-U.S. subsidiaries, and bears interest based on the London Interbank Offered Rate (LIBOR). The term of the DIP facility ends on the earlier of April 1, 2010 or the Debtors' emergence from Chapter 11. The DIP facility permits the increase of commitments of existing lenders and/or commitments by new lenders up to an aggregate maximum of \$250 million.

As of July 31, 2009, the Debtors had no revolving loans and \$63.7 million of standby letters of credit issued and outstanding under the DIP facility. These letters of credit reduced the aggregate unused availability for revolving loans and letters of credit, as of the April 1, 2008 effective date of the amended DIP facility, to \$101.3 million. The letters of credit were issued mainly for trade-related matters such as performance bonds, as well as certain insurance and environmental matters.



## **Federal Income Tax Returns**

Form 480.20 Rev. 02.09

Liquidator:		Reviewer:		<b>200 8</b>		<b>COMMONWEALTH OF PUERTO RICO 200 8</b>		Serial Number		
Field audited by:				<b>DEPARTMENT OF THE TREASURY</b>						
Date <u>    </u> / <u>    </u> / <u>    </u>				<b>Corporation Income Tax Return</b>						
				TAXABLE YEAR BEGINNING ON <u>01/01</u> 2008 AND ENDING ON <u>12/31</u> 2008						
R M N <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u> <u>    </u>				Taxpayer's Name <b>Darex Puerto Rico, Inc.</b> Employer Identification Number <b>13-2830236</b> Department of State Registry No. <b>F-2819</b> Industrial Code <b>5200</b> Municipal Code <b>5200</b> Merchant's Registration Number <b>    </b>						
Postal Address <b>5400 Broken Sound Blvd NW, Suite 300</b>				Department of State Registry No. <b>F-2819</b> Industrial Code <b>5200</b> Municipal Code <b>5200</b> Merchant's Registration Number <b>    </b>						
Boca Raton, FL Zip Code <b>33487</b>				Telephone Number - Extension <b>561-362-1320</b> Date Incorporated <b>8 1 1968</b> Day / Month / Year Place Incorporated <b>Delaware, USA</b>						
"Place Label here".				Location of Principal Industry or Business - Number, Street, City <b>Road #2, KM 20.5</b> <b>BO Candelaria, Toa Baja, PR</b> Type of Principal Industry or Business (i.e. Hardware, Cafeteria, etc.) <b>Mfg &amp; Sale of Concrete Admixtures</b>						
Check the corresponding box, if applicable <input type="checkbox"/> First return <input type="checkbox"/> Last return				CHANGE OF ADDRESS <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				Receipt No. <u>                    </u> Amount: <u>                    </u>		
Contracts with Governmental Entities <input type="checkbox"/> Yes <input type="checkbox"/> No				2009 RETURN <input type="checkbox"/> Spanish <input checked="" type="checkbox"/> English						
<b>Part I</b>		1. Net operating income (or loss) (From Part V, line 49) . . . . . (1)							1,127,250	00
		2. Less: Net operating loss deduction from preceding year (Submit detail) . . . . . (2)								00
<b>Part II</b>		3. Net income (or loss) . . . . . (3)							1,127,250	00
		4. Less: Dividends or profits received from domestic corporations or partnerships . . . . . (4)								00
<b>Part III</b>		5. Net income subject to normal tax (Subtract line 4 from line 3) . . . . . (5)							1,127,250	00
		6. Less: Surtax net income credit . . . . . (6)							25,000	00
<b>Part III</b>		7. Net income subject to surtax (Subtract line 6 from line 5) . . . . . (7)							1,102,250	00
		8. Normal tax (Multiply line 5 by 20%) . . . . . (8)							225,450	00
<b>Part III</b>		9. Surtax (See instructions) . . . . . (9)							193,927	00
		10. Amount of recapture (See instructions) . . . . . (10)							20,250	00
<b>Part III</b>		11. Total Tax (Add lines 8 through 10) . . . . . (11)							439,627	00
		12. Alternative Tax - Capital Gains (Schedule D Corporation and Partnership, Part V, line 38) . . . . . (12)							0	00
<b>Part III</b>		13. Tax Determined (Line 11 or 12, whichever is smaller) . . . . . (13)							439,627	00
		14. Recapture of credit claimed in excess (Schedule B Corporation and Partnership, Part I, line 3) . . . . . (14)								00
<b>Part III</b>		15. Tax credits (Schedule B Corporation and Partnership, Part II, line 27) . . . . . (15)								00
		16. Tax liability before alternative minimum tax (Subtract line 15 from the sum of lines 13 and 14) . . . . . (16)							439,627	00
<b>Part III</b>		17. Alternative minimum tax (Schedule A Corporation and Partnership, Part V, line 33) . . . . . (17)							0	00
		18. Branch profits tax (Form AS 2879, line 11) . . . . . (18)								00
<b>Part III</b>		19. Tax on eligible interest (See instructions) . . . . . (19)								00
		20. Total Tax Liability (Add lines 16 through 19) . . . . . (20)							439,627	00
<b>Part III</b>		21. Less: Other Payments and Withholdings (Schedule B Corporation and Partnership, Part III, line 9) . . . . . (21)							415,334	00
		22. Balance of tax due (If line 20 is larger than line 21, enter the difference here, otherwise, on line 24)							24,293	00
<b>Part III</b>		a) Tax . . . . . (22a)							24,293	00
		b) Interest . . . . . (22b)								00
<b>Part III</b>		c) Surcharges . . . . . (22c)								00
		d) Total (Add lines 22(a) through 22(c)) . . . . . (22d)							24,293	00
<b>Part III</b>		23. Addition to the Tax for Failure to Pay Estimated Tax (Schedule T Corporation and Partnership, Part III, line 48) . . . . . (23)								00
		24. Excess of tax paid or withheld (See instructions) . . . . . (24)								00
<b>Part III</b>		25. Amount paid with this return (Add lines 22(d) and 23 less line 24) . . . . . (25)							24,293	00
		26. Amount overpaid (Subtract lines 21 from the sum of lines 20 and 23. Distribute line 24 between line A or B):								00
<b>Part III</b>		A. To be credited to estimated tax for 2009 . . . . . (26A)								00
		B. To be refunded . . . . . (26B)								00

Retention Period: Ten (10) years

Produced by: THO

## Modelo SC 2644

Form 45  
Rev. 11-04

Liquidador
Revisor

ESTADO LIBRE ASOCIADO DE PUERTO RICO - REPUBLICA DE PUERTO RICO  
 Departamento de Hacienda - Department of the Treasury  
**SOLICITUD DE PRORROGA PARA RENDIR LA PLANILLA DE CONTRIBUCION SOBRE INGRESOS**  
 Petition for Extension to File of Payment of Tax Return  
 Año comienza el \_\_\_\_ de \_\_\_\_ de \_\_\_\_ y termina el \_\_\_\_ de \_\_\_\_ de \_\_\_\_  
 Tax Return for: 01/01/08 to ending at: 12/31/08

Número de Serie

**Parte - Part I: Información del Contribuyente - Taxpayer's Information**Número de Seguro Social  
Social Security NumberNúmero de Identificación Patronal  
Employer's Identification Number

1 3 2 8 3 0 2 3 6

Nombre del Individuo  
Individual's First NameInicial  
InitialApellido Paterno  
Last NameApellido Materno  
Second Last Name

Darex Puerto Rico

Nombre de la Corporación, Sociedad, Sucesión o Fideicomiso - Corporation, Partnership, Estate or Trust Name

5400 Broken Sound Blvd. NW, Suite 300

Dirección Postal - Postal Address

Boca Raton, Florida

Código Postal - Zip Code 33487-3517

Teléfono Residencia - Residence Telephone

Teléfono Oficina - Office Telephone

5 6 1 3 6 2 1 3 2 0

Sello de Pago

Número de recibos  
Importe:Ocupación / Negocio  
Occupation / Business**Parte - Part II: Información del (de los) Patrono(s) para quien(es) Trabaja - Information of the Employer(s) for whom you Work**

Nombre del Patrono - Employer's Name

Dirección - Address

Número de Identificación Patronal - Employer's Identification Number

1.

Nombre del Patrono - Employer's Name

Dirección - Address

Código Postal - Zip Code

Número de Identificación Patronal - Employer's Identification Number

2.

**Parte - Part III: Ingresos - Income**

1. Ingreso según Comprobante de Retención o Ingreso Estimado

Income as per Withholding Statement or Estimated Income

0 0

2. Otros Ingresos

Other Income

0 0

3. Total de Ingreso Bruto

Total Gross Income

0 0

**Parte - Part IV: Importe incluido con esta Solicitud - Amount Included with this Request**

1. Balance Pendiente de Pago / Balance de Contribución a Pagar

Balance of Tax Due

0 0 0

2. Contribución Adicional Especial (Anejo N Incentivos)

Special Surtax (Schedule N Incentives)

CIFRA DE INGRESO 0215)

0 0

3. Prepago del Impuesto sobre Repatriación (Formulario 480.3(II), Parte IV)

Prepayment of Tax on Repatriation (Form 480.3(II), Part IV)

CIFRA DE INGRESO 0242)

0 0

4. Contribución sobre Ingresos Opcional para Negocios Exentos (Anejo O Incentivos)

Optional Contribution on Income for Exempt Businesses (Schedule O Incentives)

CIFRA DE INGRESO 0213)

0 0

VEASE AL DORSO



Solicitud de Prórroga Automática - Request for Automatic Extension of Time Clase de contribuyente - Type of taxpayer			30 días days
1. Individuo - Individual	2. Sucesión - Estate	3. Fideicomiso - Trust	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> X 4. Corporación - Corporation   5. Corporación bajo el Programa de Incentivos Contributivos de Puerto Rico - Corporation under the Puerto Rico Tax Incentives Program   6. Corporación Especial Propiedad de Trabajadores - Employees - Owned Special Corporation   7. Corporación de Individuos - Subchapter N Corporation </div> <div style="width: 45%;"> 8. Sociedad - Partnership   9. Sociedad bajo el Programa de Incentivos Contributivos de Puerto Rico - Partnership under the Puerto Rico Tax Incentives Program   10. Sociedad Especial - Special Partnership   11. Organización Sin Fines de Lucro - Non Profit Organization </div> </div>			90 días days
12. Corporación o Sociedad acogida a la Sección 936 del Código de Rentas Internas Federal Corporation or partnership that has an election under Section 936 of the Federal Internal Revenue Code			Decimoquinto (15) día del noveno mes siguiente al cierre del año contributivo Fifteenth (15) day of the ninth month following the close of the taxable year
Solicitud de Prórroga Adicional - Request for Additional Extension of Time Clase de contribuyente - Type of taxpayer			USO OFICIAL - OFFICIAL USE
1. Individuo - Individual	2. Sucesión - Estate	3. Fideicomiso - Trust	60 Días - days
			150 Días - days
Razones - Reasons			
Additional time is requested in order to obtain information needed to prepare a complete and accurate return			
Juramento - Oath			
Declaro bajo penalidad de perjurio, que la información aquí suministrada ha sido examinada por mí y que según mi mejor información y creencia es cierta, correcta y completa. I hereby declare under penalty of perjury, that this information has been examined by me and to the best of my knowledge and belief is true, correct and complete			
Assistant Treasurer Título - Title		<div style="text-align: center;">   David Nakashige  Firma del contribuyente  Signature of the taxpayer </div>	
04/03/09 Fecha - Date		Firma del representante autorizado Signature of the authorized agent	
Dirección del representante autorizado - Address of duly authorized agent			
Teléfono - Telephone			

ESTA PRORROGA NO EXTIENDE EL PAGO DE LA CONTRIBUCION O CUALQUIER PLAZO DE LA MISMA. ES IMPORTANTE QUE COMPLETE TODOS LOS ENCASILLADOS. RECUERDE INCLUIR LA INFORMACION DE SU PATRONO Y EL INGRESO BRUTO QUE DEVENGO EN EL AÑO. THIS EXTENSION DOES NOT EXTEND THE TIME FOR PAYMENT OF THE TAX OR ANY PAYMENT THEREOF IS IMPORTANT THAT YOU COMPLETE ALL BOXES. REMEMBER TO INCLUDE YOUR EMPLOYER'S INFORMATION AND THE GROSS INCOME RECEIVED IN THE YEAR.

Form 480-20 Rev. 02-09

Corporation - Page 2

Part IV		1. Net sales . . . . .	24	(1)	4,458,800	00	
		Less: Cost of goods sold or direct costs of production					
		2. Inventory at the beginning of the year	<input type="checkbox"/> "C" <input type="checkbox"/> "C" or "MV"				
		(a) Materials . . . . .	(2a)		00		
		(b) Goods in process . . . . .	(2b)		00		
		(c) Finished goods or merchandise . . . . .	(2c)	152,167	00		
		3. Purchase of materials or merchandise . . . . .	(3)		00		
		4. Direct wages . . . . .	(4)		00		
		5. Other direct costs (Detail in Part VI) . . . . .	(5)	2,418,333	00		
		6. Total cost of goods available for sale (Add lines 2 through 5) . . . . .	(6)	2,570,500	00		
		7. Less: Inventory at the end of the year	<input type="checkbox"/> "C" <input type="checkbox"/> "C" or "MV"				
		(a) Materials . . . . .	(7a)		00		
		(b) Goods in process . . . . .	(7b)		00		
		(c) Finished goods or merchandise . . . . .	(7c)	224,487	00		
					2,346,013	00	
		8. Gross profit on sales or production (Subtract the result of line 6 less line 7, from line 1) . . . . .		(8)	2,112,787	00	
		9. Net capital gain (Schedule D Corporation and Partnership, Part IV, line 22) . . . . .		(9)		00	
		10. Net gain (or loss) from the sale of property other than capital assets (Schedule D Corporation and Partnership, Part VI, line 37) . . . . .		(10)		00	
		11. Rent . . . . .		(11)		00	
		12. Interest . . . . .		(12)		00	
		13. Commissions . . . . .		(13)		00	
		14. Dividends from corporations and profits from partnerships: (a) Domestic . . . . . (b) Foreign . . . . .		(14)		00	
		15. Distributable share on net income from special partnerships (Schedule R, Part II, line 8) . . . . .		(15)		00	
		16. Distributable share on net losses from special partnerships (Schedule R, Part II, line 13) . . . . .		(16)		00	
		17. Taxable farming profit (Schedule S Corporation and Partnership, Part I, line 9) . . . . .		(17)		00	
		18. Freight and fares . . . . .		(18)		00	
		19. Miscellaneous income . . . . .		(19)		00	
		20. Total gross income (Add lines 8 through 19) . . . . .		(20)	2,112,787	00	
Part V		21. Compensation to officers (See instructions for Part X) . . . . .		(21)		00	
		22. Salaries, commissions and bonuses to employees . . . . .		(22)		00	
		23. Commissions to businesses . . . . .		(23)		00	
		24. Social security tax (FICA) . . . . .		(24)		00	
		25. Unemployment tax . . . . .		(25)		00	
		26. State Insurance Fund premiums . . . . .		(26)		00	
		27. Medical or hospitalization insurance . . . . .		(27)		00	
		28. Insurances . . . . .		(28)		00	
		29. Interest (See instructions) . . . . .		(29)		00	
		30. Rent . . . . .		(30)		00	
		31. Property tax: (a) Personal . . . . . (b) Real . . . . .		(31)		00	
		32. Other taxes, patents and licenses (See instructions) . . . . .		(32)		00	
		33. Losses from fire, storm, other casualties or theft . . . . .		(33)		00	
		34. Motor vehicle expenses . . . . .		(34)		00	
		35. Meals and entertainment expenses (Total . . . . .) (See instructions) . . . . .		(35)		00	
		36. Travel expenses . . . . .		(36)		00	
		37. Professional services . . . . .		(37)		00	
		38. Contributions to pension or other qualified plans (See instructions) . . . . .		(38)		00	
		39. Flexible depreciation (See instructions. Submit Schedule E) . . . . .		(39)		00	
		40. Accelerated depreciation (See instructions. Submit Schedule E) . . . . .		(40)		00	
		41. Current depreciation and amortization (See instructions. Submit Schedule E) . . . . .		(41)	123,054	00	
		42. Bad debts (See instructions) . . . . .		(42)		00	
		43. Charitable contributions (See instructions) . . . . .		(43)		00	
		44. Repairs (See instructions) . . . . .		(44)		00	
		45. Deduction for employers who employ handicapped persons (See instructions) . . . . .		(45)		00	
		46. Contributions to educational contribution accounts for the employees' beneficiaries (See instructions) . . . . .		(46)		00	
		47. Other deductions (See instructions) . . . . .		(47)	862,483	00	
		48. Total deductions (Add lines 21 through 47) . . . . .		(48)	985,537	00	
		49. Net operating income (or loss) for the year (Subtract line 48 from line 20. Enter here and in Part I, line 1) . . . . .		(49)	1,127,250	00	
Part VI		Item	26	Amount	Item	Amount	
		1. Salaries, wages and bonuses . . . . .	(1)	00	8. Repairs . . . . .	(8)	00
		2. Social security tax (FICA) . . . . .	(2)	00	9. Utilities . . . . .	(9)	00
		3. Unemployment tax . . . . .	(3)	00	10. Flexible depreciation (Submit Schedule E) . . . . .	(10)	00
		4. State Insurance Fund premiums . . . . .	(4)	00	11. Accelerated depreciation (Submit Schedule E) . . . . .	(11)	00
		5. Medical or hospitalization insurance . . . . .	(5)	00	12. Current depreciation (Submit Schedule E) . . . . .	(12)	00
		6. Other insurance . . . . .	(6)	00	13. Other expenses (Submit detail) . . . . .	(13)	2,418,333
		7. Excise taxes . . . . .	(7)	00	14. Total other direct costs (Add lines 1 through 13. Same as Part IV, line 5) . . . . .	(14)	2,418,333

Retention Period: Ten (10) years

Produced by: THO

Form 480.20 Rev. 02.09

Corporation - Page 3

Corporation - Comparative Balance Sheet									
Beginning of the Year					Ending of the Year				
Assets					Total				
1. Cash on hand and in banks . . . (1)				5,531,188 00	(1)				5,529,203 00
2. Accounts receivable . . . . . (2)	1,965,972 00				(2)	1,902,005 00			
3. Less: Reserve for bad debts . . . (3)	( 116,631 00)			1,849,341 00	(3)	( 181,300 00)			1,720,705 00
4. Notes receivable . . . . . (4)					(4)				00
5. Inventories . . . . . (5)				152,167 00	(5)				224,487 00
6. Investments . . . . . (6)					(6)				00
7. Depreciable assets . . . . . (7)	1,477,239 00				(7)	1,514,588 00			
8. Less: Reserve for depreciation (8)	( 871,454 00)			605,785 00	(8)	( 990,212 00)			524,376 00
9. Land . . . . . (9)					(9)				00
10. Other assets . . . . . (10)				40,821 00	(10)				63,455 00
11. Total Assets . . . . . (11)				8,179,302 00	(11)				8,062,226 00
<b>Liabilities and Stockholder's Equity</b>									
<b>Liabilities</b>									
12. Accounts payable . . . . . (12)	3,975,962 00				(12)	3,147,857 00			
13. Notes payable . . . . . (13)					(13)				00
14. Accrued expenses . . . . . (14)					(14)				00
15. Other liabilities . . . . . (15)	910,302 00				(15)	778,762 00			
16. Total Liabilities . . . . . (16)				4,786,264 00	(16)				3,926,619 00
<b>Stockholder's Equity</b>									
17. Capital stock									
(a) Preferred stocks . . . . . (17a)				00	(17a)				00
(b) Common stocks . . . . . (17b)	1,000 00				(17b)	1,000 00			
18. Additional paid in capital . . . (18)					(18)				00
19. Retained earnings . . . . . (19)	3,392,038 00				(19)	4,134,607 00			
20. Reserve . . . . . (20)					(20)				00
21. Total Stockholder's Equity . . . (21)				3,393,038 00	(21)				4,135,607 00
22. Total Liabilities and Stockholder's Equity . . . . . (22)				8,179,302 00	(22)				8,062,226 00

Reconciliation of Net Income (or Loss) per Books with Net Taxable Income (or Loss) per Return									
<b>Part VIII</b>									
1. Net income (or loss) per books . . . (1)	742,569 00				7. Income recorded on books this year not included on this return (Itemize, use schedule if necessary)				
2. Income tax . . . . . (2)	384,681 00				(a) Exempt interest . . . . .				
3. Excess of capital losses over capital gains . . . . . (3)				00	(b) . . . . .				
4. Taxable income not recorded on books this year (Itemize, use schedule if necessary)					(c) . . . . .				
(a) . . . . .					(d) . . . . .				
(b) . . . . .					Total . . . . . (7)				00
(c) . . . . .					8. Deductions on this tax return not charged against book income this year (Itemize, use schedule if necessary)				
(d) . . . . .					(a) Depreciation . . . . .				
Total . . . . . (4)				00	(b) . . . . .				
5. Expenses recorded on books this year not claimed on this return (Itemize, use schedule if necessary)					(c) . . . . .				
(a) Meals and entertainment (amount not claimed) . . . . .					(d) . . . . .				
(b) Depreciation . . . . .					Total . . . . . (8)				00
(c) . . . . .					9. Total (Add lines 7 and 8) . . . . . (9)				00
(d) . . . . .					10. Net taxable income (or loss) per return (Subtract line 9 from line 6) . . . . . (10)				1,127,250 00
Total . . . . . (5)				00					
6. Total (Add lines 1 through 5) . . . (6)	1,127,250 00								

Analysis of Retained Earnings per Books									
<b>Part IX</b>									
1. Balance at the beginning of the year . . . (1)	3,392,038 00				5. Distributions: (a) Cash . . . . . (5a)				00
2. Net income per books . . . . . (2)	742,569 00				(b) Property . . . . . (5b)				00
3. Other increases (Itemize, use schedule if necessary) . . . . . (3)					(c) Stocks . . . . . (5c)				00
4. Total (Add lines 1, 2 and 3) . . . (4)	4,134,607 00				6. Other decreases (Use schedule if necessary) . . . . . (6)				00
					7. Total (Add lines 5 and 6) . . . . . (7)				00
					8. Balance at end of year (Subtract line 7 from line 4) . . . . . (8)				4,134,607 00

Form 480.20 Rev. 02.09

Corporation - Page 4

Compensation to Officers						
Part X	Name of officer	Social security number	Percentage of time devoted to industry or business	Percentage of stocks owned		Compensation
				Common	Preferred	
						00
						00
						00
						00
						00
Total compensation to officers: (Enter in Part V, line 21)						00

Questionnaire		Yes	No
Part XI	1. If a foreign corporation, indicate if the trade or business in Puerto Rico was held as a branch	(1)	X
	2. If a branch, indicate the percent that represents the income from sources within Puerto Rico from the total income of the corporation: _____ %		
	3. Is the corporation filing under Section 836 of the Federal Internal Revenue Code?	(3)	X
	4. Did the corporation keep any part of its records on a computerized system during this year?	(4)	X
	5. The corporation's books are in care of: Name <u>David Nakashige</u> Address <u>5400 Broken Sound Blvd NW, #300</u> <u>Boca Raton, FL 33487-3517</u>		
	6. Indicate the accounting method used for book (tax) purposes: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify): _____		
	7. Did the corporation file the following documents?: (a) Informative Return (Forms 480.5, 480.6A, 480.6B) (7a) <input checked="" type="checkbox"/> (b) Withholding Statement (Form 499R-2W-2PR) (7b) <input checked="" type="checkbox"/> 8. If the gross income exceeds \$1,000,000, are financial statements audited by a CPA licensed in Puerto Rico included with this return? (8) <input checked="" type="checkbox"/>		
	9. Number of employees during the year: _____		
	10. Did the corporation claim a deduction for expenses connected with: (a) Vessels? (10a) <input checked="" type="checkbox"/> (b) Living expenses? (10b) <input checked="" type="checkbox"/> (c) Employees attending conventions or meetings outside Puerto Rico or the United States? (10c) <input checked="" type="checkbox"/>		
	11. Did the corporation distribute dividends other than stock dividends or distributions in liquidation in excess of the corporation's current and accumulated earnings? (11) <input checked="" type="checkbox"/>		
12. Is the corporation a partner in any special partnership? (12) <input checked="" type="checkbox"/> Name of the special partnership _____ Employer identification number _____			
13. Is the corporation a member of a controlled group? (13) <input checked="" type="checkbox"/>			
14. Enter the amount of exempt interest: _____			
15. Enter the amount corresponding to charitable contributions to municipalities included in Part V, line 43: _____			
16. Indicate if insurance premiums were paid by an unauthorized insurer (16) <input checked="" type="checkbox"/>			
17. Employer's number assigned by the Department of Labor and Human Resources: _____			
18. Number of stockholders: _____			

## OATH

We, the undersigned, president (or vice-president, or other principal officer) and treasurer (or assistant treasurer), or agent of the corporation for which this income tax return is made, each for himself declares under penalty of perjury, that this return (including schedules and statements attached) has been examined by us, and to the best of our knowledge and belief, is a true, correct, and complete return, made in good faith, pursuant to the Puerto Rico Internal Revenue Code of 1994, as amended, and the Regulations thereunder.

Mark A. Shelnitz  
President's or vice-president's signature

William C. Dockman  
Treasurer's or assistant treasurer's signature

NOTARY SEAL

Affidavit No. \_\_\_\_\_

Agent

Sworn and subscribed before me by Mark A. Shelnitz of legal age U.S. citizen (civil status) Vice President (occupation), and resident of Maryland and by William C. Dockman of legal age U.S. citizen (civil status) Treasurer (occupation), and resident of Maryland personally known to me or identified by means of \_\_\_\_\_ at W.R. Greco & Co. - Dade this 14th day of July, 2009 Puerto Rico, Inc.

Administrative Assistant  
Title of the person administering oath

Reck Choyce  
Signature of the person administering oath

## SPECIALIST'S USE ONLY

I declare under penalty of perjury that this return (including schedules and statements attached) has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return. The declaration of the person who prepares this return is with respect to the information received, and this information may be verified.

Specialist's name (Print)	Registration number	Date	Self-employed Specialist
<u>49</u>			<input type="checkbox"/>
Firm's name	Employer identification number		
Specialist's signature	Address		
	Zip Code		

## NOTE TO TAXPAYER

Indicate if you made payments for the preparation of your return: ☐ Yes ☐ No. If you answered "Yes", require the Specialist's signature and reg. no.

8N013 1.000

Retention Period: Ten (10) years

Produced by: THO

<b>Schedule A Corporation and Partnership</b> Rev. 02-09		<b>ALTERNATIVE MINIMUM TAX</b>		<b>200<sub>a</sub></b>
Taxable year beginning on <u>01/01</u> <u>08</u> and ending on <u>12/31</u> <u>08</u>		<b>A</b>		
Taxpayer's Name <b>Darex Puerto Rico</b>		Employer Identification Number <b>13-2630236</b>		
<b>Part I Adjustments in the Computation of the Alternative Minimum Net Income Before Books Adjustments and Operating Losses</b>				
1. Net income subject to normal tax without considering net operating loss from preceding years and excluding the net capital gain that you had elected to pay taxes at the special rates (See instructions) . . . . .		(1)	1,127,250	00
2. Adjustments:				
a. Flexible depreciation . . . . .		(2a)	00	
b. Installment sales . . . . .		(2b)	00	
c. Long-term contracts . . . . .		(2c)	00	
d. Expenses related with exempt interest . . . . .		(2d)	00	
e. Accelerated depreciation . . . . .		(2e)	00	
f. Total adjustments (Add lines 2(a) through 2(e)) . . . . .		(2f)		00
3. Alternative minimum net income before the adjustments of Part II and the operating loss (Add lines 1 and 2(f)) . . . . .		(3)	1,127,250	00
<b>Part II Adjustment for the Excess of the Net Income per Books over the Alternative Minimum Net Income Before Adjustments</b>				
4. Net income (or loss) per books . . . . .		(4)	742,569	00
5. Goodwill amortization expense . . . . .		(5)	00	
6. Income tax expense per books . . . . .		(6)	384,681	00
7. Add lines 4, 5 and 6 . . . . .		(7)	1,127,250	00
8. Exempt interest income net of related expenses . . . . .		(8)	00	
9. Dividends and profit distributions received from domestic corporations or partnerships, or from industrial or tourism development income . . . . .		(9)	00	
10. Industrial development income, exempt tourism development income or bona fide agricultural business income . . . . .		(10)	00	
11. Income (or loss) recognized under the equity method . . . . .		(11)	00	
12. Reserve for catastrophic losses . . . . .		(12)	00	
13. Net long-term capital gain (See instructions) . . . . .		(13)	00	
14. Add lines 8 through 13 . . . . .		(14)		00
15. Subtract line 14 from line 7 . . . . .		(15)	1,127,250	00
16. Subtract line 3 from line 15. If line 3 is larger than line 15, enter zero . . . . .		(16)		00
17. Adjustment for the excess of the adjusted net income per books over the alternative minimum net income of line 3 (Multiply line 16 by 50%) . . . . .		(17)		00
<b>Part III Computation of the Alternative Minimum Net Income</b>				
18. Alternative minimum net income before the net operating loss (Add lines 3 and 17) . . . . .		(18)	1,127,250	00
19. Net operating loss to determine the alternative minimum tax (See instructions) . . . . .		(19)		00
20. Subtract line 19 from line 18 (Enter here the difference, but not less than 10% of line 18) . . . . .		(20)	1,127,250	00
21. Exempt amount (See instructions) . . . . .		(21)		00
22. Alternative minimum net income (Subtract line 21 from line 20) . . . . .		(22)	1,127,250	00
<b>Part IV Computation of the Alternative Minimum Credit for Foreign Taxes Paid</b>				
23. Tentative minimum tax (Multiply line 22 by 22%) . . . . .		(23)	247,995	00
24. Alternative minimum net income before net operating loss deduction (Line 18) . . . . .		(24)	1,127,250	00
25. Allowable exempt amount without considering the net operating loss (See instructions) . . . . .		(25)	00	
26. Subtract line 25 from line 24 . . . . .		(26)	1,127,250	00
27. Multiply line 26 by 22% . . . . .		(27)	247,995	00
28. Multiply line 27 by 10% . . . . .		(28)	24,800	00
29. Credit limitation (Subtract line 28 from line 23) . . . . .		(29)	223,195	00
30. Alternative minimum credit for foreign taxes paid (This amount cannot exceed the amount on line 29. See instructions) . . . . .		(30)		00
<b>Part V Computation of the Alternative Minimum Tax</b>				
31. Tentative minimum tax (Subtract line 30 from line 23) . . . . .		(31)	247,995	00
32. Adjusted regular tax (See instructions) . . . . .		(32)	439,627	00
33. Alternative minimum tax (Subtract line 32 from line 31. If line 32 is larger than line 31, enter zero, otherwise, enter the difference on Form 480-10 or 480-20, Part III, line 17) . . . . .		(33)		00



<b>Schedule B Corporation</b> Rev. 02-09 and Partnership	<b>RECAPTURE OF CREDIT CLAIMED IN EXCESS, TAX CREDITS, AND OTHER PAYMENTS AND WITHHOLDINGS</b>	<div style="font-size: 24pt; font-weight: bold;">200</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">B</div>	
Taxable year beginning on <u>01/01</u> , <u>2008</u> and ending on <u>12/31</u> , <u>2008</u>			
Taxpayer's Name <b>Darex Puerto Rico</b>		Employer Identification Number <b>13-2830236</b>	
<b>Part I Recapture of Investment Credit and Conservation Easement Claimed in Excess</b> <div style="float: right; border: 1px solid black; padding: 2px;">B1</div>			
Name of entity: Employer identification No: Credit for:	Column A	Column B	Column C
Tourism Development ..... 1			
Solid Waste Disposal ..... 2			
Agricultural Incentives ..... 3			
Capital Investment Fund ..... 4			
Theatrical District of Santurce ..... 5			
Film Industry Development ..... 6			
Housing Infrastructure ..... 7			
Construction or Rehabilitation of Rental Housing Projects for Low or Moderate Income Families ..... 8			
Acquisition of an Exempt Business that is in the Process of Closing its Operations in Puerto Rico ..... 9			
Conservation Easement ..... 10			
Other: ..... 11			
1. Total credit claimed in excess ..... (1)			00
2. Recapture of credit claimed in excess paid in previous year, if applicable ..... (2)			00
3. Recapture of credit claimed in excess paid this year (Enter on Form 480.10 or 480.20, Part III, line 14. See instructions) ..... (3)			00
4. Excess of credit due next year, if applicable (Subtract lines 2 and 3 from line 1. See instructions) ..... (4)			00
<b>Part II Tax Credits (Do not include estimated tax payments. Refer to Part III of this Schedule)</b> <div style="float: right; border: 1px solid black; padding: 2px;">B2</div>			
1. Credit for taxes paid to the United States, its possessions and foreign countries (Schedule C Corporation and Partnership, Part IV, line 7) ..... (1)			00
2. Credit for increase in investment (See instructions) ..... (2)			00
3. Credit for investment in Capital Investment, Tourism, other funds or direct investment (Submit Schedule Q) ..... (3)			00
4. Credit attributable to losses in Capital Investment, Tourism or other funds (Submit Schedules Q and Q1) ..... (4)			00
5. Credit for Contribution to the Educational Foundation for Free Selection of Schools (See instructions) ..... (5)			00
6. Credit for alternative minimum tax paid in previous years (See instructions) ..... (6)			00
7. Credit for the purchase of tax credits (Complete Part IV) (See instructions) ..... (7)			00
8. Credit for investment Act No. 362 of 1999: <input type="checkbox"/> Film Project and/or <input type="checkbox"/> Infrastructure Project (See instructions) ..... (8)			00
9. Credit for investment in Housing Infrastructure (See instructions) ..... (9)			00
10. Credit for investment in the Construction or Rehabilitation of Rental Housing Projects for Low or Moderate Income Families (See instructions) ..... (10)			00
11. Credit to investors in an exempt business that is in the process of closing its operations in Puerto Rico (See instructions) ..... (11)			00
12. Credit for purchases of products manufactured in Puerto Rico and Puerto Rican agricultural products (Schedule B1 Corporation and Partnership, Part V, line 13) ..... (12)			00
13. Credit for the purchase of automobiles propelled by alternative or mixed power (See instructions) ..... (13)			00
14. Credit for the establishment of an eligible conservation easement or donation of eligible land (See instructions) ..... (14)			00
15. Credit for construction investment in urban centers (See instructions) ..... (15)			00
16. Credit for merchants affected by urban centers revitalization (See instructions) ..... (16)			00
17. Exemption for persons that operate as a publisher (See instructions) ..... (17)			00
18. Exemption for persons that operate as a printer (See instructions) ..... (18)			00
19. Exemption for persons that operate as a bookseller (See instructions) ..... (19)			00
20. Credit for the 2008 Extraordinary Tax (See instructions) ..... (20)			00
21. Credit for investment Act No. 73 of 2008 (See instructions) ..... (21)			00
22. Credit for the acquisition or manufacture and installation of solar equipment (See instructions) ..... (22)			00
23. Credits carried from previous years (Submit detail) ..... (23)			00
24. Other credits not included on the preceding lines (Submit detail) (See instructions) ..... (24)			00
25. Total Tax Credits (Add lines 1 through 24) ..... (25)			00
26. Total tax determined (Form 480.10 or 480.20, Part III, line 13) ..... (26)			00
27. Credit to be claimed (The smaller of line 25 or 26. Enter on Form 480.10 or 480.20, Part III, line 15) ..... (27)			00
28. Carryforward credits (Submit detail) ..... (28)			00

Rev. 02/09

Schedule B Corporation and Partnership - Page 2

<b>Part III Other Payments and Withholdings</b>		<b>B-3</b>
1. Tax paid with automatic extension of time . . . . .	(1)	00
2. Estimated tax payments for 2008 . . . . .	(2)	00
3. Tax paid in excess on previous years credited to estimated tax (See instructions) . . . . .	(3)	00
4. Tax withheld at source . . . . .	(4)	00
5. Services rendered (Form 480.6B) . . . . .	(5)	00
6. Tax withheld at source on distributable share to partners of special partnerships (Form 480.6 SE) . . . . .	(6)	00
7. Tax withheld at source on eligible interest . . . . .	(7)	00
8. Other payments and withholdings not included on the preceding lines (Submit detail) . . . . .	(8)	00
9. Total Other Payments and Withholdings (Add lines 1 through 8. Enter on Form 480.10 or 480.20, Part III, line 21) . . . . .	(9)	00

  

<b>Part IV Breakdown of the Purchase of Tax Credits</b>		<b>B-4</b>
Check the block corresponding to the act (or acts) under which you acquired the credit and enter the amount:		
1. <input type="checkbox"/> Tourism Development . . . . .	(1)	00
2. <input type="checkbox"/> Solid Waste Disposal . . . . .	(2)	00
3. <input type="checkbox"/> Agricultural Incentives . . . . .	(3)	00
4. <input type="checkbox"/> Capital Investment Fund . . . . .	(4)	00
5. <input type="checkbox"/> Theatrical District of Santurce . . . . .	(5)	00
6. <input type="checkbox"/> Film Industry Development . . . . .	(6)	00
7. <input type="checkbox"/> Housing Infrastructure . . . . .	(7)	00
8. <input type="checkbox"/> Construction or Rehabilitation of Rental Housing Projects for Low or Moderate Income Families . . . . .	(8)	00
9. <input type="checkbox"/> Acquisition of an Exempt Business that is in the Process of Closing its Operations in Puerto Rico . . . . .	(9)	00
10. <input type="checkbox"/> Conservation Easement . . . . .	(10)	00
11. <input type="checkbox"/> Urban Centers Revitalization . . . . .	(11)	00
12. <input type="checkbox"/> Economic Incentives (Research and Development) . . . . .	(12)	00
13. <input type="checkbox"/> Economic Incentives (Strategic Projects) . . . . .	(13)	00
14. <input type="checkbox"/> Economic Incentives (Industrial Investment) . . . . .	(14)	00
15. <input type="checkbox"/> Other: . . . . .	(15)	00
16. Total credit for the purchase of tax credits (Same as Part II, line 7) . . . . .	(16)	00

Retention Period: Ten (10) years

Produced by: THO